

### GENERAL NOTES

This periodic report (the "Periodic Report") has been prepared solely for the purpose of complying with Rule 2015.3 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). This Periodic Report contains certain financial information for a non-debtor entity of a non-publicly traded corporation in which an estate of a Debtor (as defined below) controls or owns at least a twenty percent (20%) interest (a "Controlled Non-Debtor Entity"). The information provided in this Periodic Report has been provided by the Debtors' management.

### Description of these Chapter 11 Cases

On November 11 and November 14, 2022 (as applicable, the "Petition Date"), FTX Trading Ltd. and its affiliated debtors (each a "Debtor" and, collectively, the "Debtors")<sup>1</sup> each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases (the "Chapter 11 Cases") are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Delaware as approved by order of the Court on November 22, 2022 [D.I. 128]. On December 15, 2022, the United States Trustee appointed an official committee of unsecured creditors in the Chapter 11 Cases pursuant to section 1102(a)(1) of the Bankruptcy Code. On February 13, 2023, an order was entered at Docket No. 711 dismissing the cases of SNG Investments Yatirim Ve Danismanlik Anonim Sirketi (Case No. 22-11093) and FTX Turkey Teknoloji Ve Ticaret Anonim Sirketi (Case No. 22-11170). On August 18, 2023, an order was entered at Docket No. 2207 dismissing the case of FTX Exchange FZE (Case No. 22-11100). On November 13, 2023, an order was entered at Docket No. 3739 dismissing the cases of Liquid Financial USA, Inc. (Case No. 22-11151), LiquidEX LLC (Case No. 22-11152), Zubr Exchanged Ltd (Case No. 22-11132) and DAAG Trading, DMCC (Case No. 22-11163). On December 16, 2023, the Debtors filed (i) the *Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and Its Debtor Affiliates* [D.I. 4861] and (ii) the *Disclosure Statement for Debtors' Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and Its Affiliated Debtors and Debtors-In-Possession* [D. I. 4862]. On March 18, 2024, the bankruptcy Court entered the *Fourth Order Extending the Exclusive Periods During Which Only the Debtors May File a Chapter 11 Plan and Solicit Acceptances Thereof* [D.I. 9584] extending the Debtors' exclusive filing period to May 13, 2024 and extending the Debtors' exclusive solicitation period through July 11, 2024. Additional information about these Chapter 11 Cases, court filings, and claims information is available at the Debtors' restructuring website: <https://restructuring.ra.kroll.com/FTX>.

### Financial Statements

The financial information contained herein is unaudited, limited in scope, and as such, has not been subject to procedures that typically would be applied to financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are not

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<sup>1</sup> A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/FTX>.

CASE NAME: Digital Custody Inc.CASE NUMBER: 22-11115

intended to reconcile fully with any financial statements prepared under U.S. GAAP. The Controlled Non-Debtor Entity maintains its books and records in accordance with U.S. GAAP and the information furnished in this Periodic Report utilizes the Controlled Non-Debtor Entity's normal accrual method of accounting.

For financial reporting purposes, the Debtors prepare consolidated financial statements at Debtor Digital Custody Inc. (Case Number 22-11115), which include information for the Controlled Non-Debtor Entity. This Periodic Report only contains financial information of the Controlled Non-Debtor Entity. The financial statements presented in this Periodic Report are derived from the books and records prepared and maintained by the respective Controlled Non-Debtor Entity as provided to the Debtors. The presentation in this Periodic Report does not include all the information and footnotes required by U.S. GAAP for complete financial statements. The financial statements and supplemental information contained herein represent condensed information, are limited in scope, and cover a limited time period. Unless otherwise noted, the Periodic Report generally reflects the Controlled Non-Debtor Entity's books and records and financial activity occurring during the time period covered by this Periodic Report. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the time period covered by this Periodic Report.

Although management made reasonable efforts to ensure that the financial information is accurate and complete based on information that was available to them at the time of preparation, subsequent information or discovery may result in material changes to the information. Notwithstanding any such discovery, new information, or errors or omissions, the Debtors do not undertake any obligation or commitment to update this Periodic Report. Nothing in this Periodic Report shall constitute a waiver of any rights of the Debtors, including the right to amend the information contained herein. The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable nonbankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors, the Controlled Non-Debtor Entity, and the Debtors' advisors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.

This Periodic Report should not be relied upon by any persons for information relating to current or future financial condition, events, or performance of the Controlled Non-Debtor Entity or their affiliates, as the results of operations contained herein are not necessarily indicative of results which may be expected from any other period or for the full year, and may not necessarily reflect the combined results of operations, financial position, and schedule of receipts and disbursements in the future. Further, this Periodic Report is limited in scope, covers a limited time period, and has been prepared solely for purposes of fulfilling the requirements of Bankruptcy Rule 2015.3. Accordingly, the following notes, statements, and limitations should be referred to, and referenced in connection with, any review of this Periodic Report.

CASE NAME: Digital Custody Inc.

CASE NUMBER: 22-11115

### **Intercompany Transactions**

Prior to the Petition Date and continuing thereafter, but only as approved by the Court, the Debtors routinely engaged, and continue to engage, in intercompany transactions with the Controlled Non-Debtor Entity. Intercompany transactions have not been eliminated in the Balance Sheet and Statement of Income (Loss) contained herein, as these eliminations are only performed in consolidation.

### **Current Values**

The Debtors do not maintain fair market value or other bases of valuation for the Controlled Non-Debtor Entity, which may differ substantially from the net book value of these entities.

### **Currency**

The amounts herein are presented in United States dollars, unless otherwise stated.

### **Reservation of Rights**

Nothing contained in this Periodic Report shall constitute a waiver or admission by the Debtors in any respect, nor shall this Periodic Report or any information set forth herein waive or release any of the Debtors' rights or admissions with respect to these chapter 11 cases, or their estates, including with respect to, among other things, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers. The Debtors are reviewing the assets and liabilities of their affiliates on an ongoing basis, including, without limitation, with respect to intercompany claims and obligations, and nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' or their affiliates' rights with respect to such assets, liabilities, claims, and obligations that may exist.

**Fill in this information to identify the case:**Debtor Name: Digital Custody Inc.United States Bankruptcy Court for the \_\_\_\_\_ District of DelawareCase Number: 22-11115

## Official Form 426

**Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest**

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This is the Periodic Report as of | 12/31/2023 | on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

Digital Custody Inc. holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
FTX Vault Trust Co	100%	

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

*Exhibit A* contains the most recently available: balance sheet, statement of income (*loss*), and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

*Exhibit B* describes the Controlled Non-Debtor Entity's business operations.

*Exhibit C* describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

*Exhibit D* describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

*Exhibit E* describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

The undersigned, having reviewed the Entity Reports for each Controlled Non-Debtor Entity, and being familiar with the Debtor’s financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this Periodic Report and the attached Entity Reports are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual  
Debtors:

Mary Cilia  
Mary Cilia (Mar 26, 2024 10:52 CDT)  
\_\_\_\_\_  
Signature of Authorized individual  
Mary Cilia  
\_\_\_\_\_  
Printed name of Authorized Individual  
Date 03 / 25 / 2024  
MM / DD / YYYY

For individual  
Debtors:

\_\_\_\_\_  
Signature of Debtor 1  
\_\_\_\_\_  
Printed name of Debtor 1  
Date \_\_\_\_\_  
MM / DD / YYYY

\_\_\_\_\_  
Signature of Debtor 2  
\_\_\_\_\_  
Printed name of Debtor 2  
Date \_\_\_\_\_  
MM / DD / YYYY

CASE NAME: Digital Custody Inc.

CASE NUMBER: 22-11115

Exhibit A: Financial Statements for Controlled Non-Debtor Entities

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**Official Form 426**  
United States Bankruptcy Court  
District of Delaware

In re:  
Digital Custody Inc.

Case No. 22-11115

<u>Name of Non-Debtor Entity</u>	<u>Interest of the Estate</u>
FTX Vault Trust Co	100%

CASE NAME: Digital Custody Inc.

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**Exhibit A-1: Balance Sheet of Controlled Non-Debtor Entities as of 12/31/2023**

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**Exhibit A-1: Balance Sheet of Non-Debtors**

In US \$ Unless Otherwise Indicated	As of December 31, 2022 FTX Vault Trust Co	As of December 31, 2023 FTX Vault Trust Co
<b>Assets</b>		
Cash and cash equivalents	\$ 1,889,879 <sup>(1)</sup>	\$ 1,254,440
Cash segregated in pledge account	1,514,002	1,578,974
<b>Total assets</b>	<b>3,403,881</b>	<b>2,833,414</b>
<b>Liabilities and Stockholders' Equity</b>		
Intercompany payable	394,670	394,670
Payroll liabilities	-	-
<b>Total Liabilities</b>	<b>394,670</b>	<b>394,670</b>
Additional Paid in Capital	3,615,900	3,615,900
Retained Earnings (Deficit)	212	(606,690)
Net income	(606,902)	(570,466)
<b>Total Stockholders' Equity</b>	<b>3,009,210</b>	<b>2,438,744</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 3,403,881</b>	<b>\$ 2,833,414</b>

(1) - Additional funds were held at a bank account of Debtor Digital Custody Inc. in order to satisfy FTX Vault Trust Co regulatory requirements. At the time of the Digital Custody Inc. bankruptcy filing, Digital Custody Inc. maintained \$982k in this account. Upon granting of the order authorizing the Debtors to operate a cash management system (D.I. 145), the Debtors moved the remaining balance from Digital Custody Inc.'s account to the WRS silo account.

CASE NAME: Digital Custody Inc.

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**Exhibit A-2: Statement of Income (Loss) for controlled Non-Debtor Entities for the period ended 12/31/2023**

**Official Form 426**  
United States Bankruptcy Court  
District of Delaware

**Exhibit A-2: Statement of Income (Loss)**

In US \$ Unless Otherwise Indicated	As of December 31, 2022 FTX Vault Trust Co	As of December 31, 2023 FTX Vault Trust Co
<b>Revenues:</b>		
Interest Income	\$ 14,539	\$ 64,972
Other Income	1,012	-
<b>Net Revenue</b>	<b>15,551</b>	<b>64,972</b>
<b>Expenses:</b>		
Bank Service Charges	770	530
Board of Director Fee	2,000	30,000
Business Licenses and Permits	4,570	4,500
Computer and Internet Expenses	34,860	67,681
Insurance Expenses	1,241	1,378
Office Supplies	400	-
Payroll Expenses	441,241	490,182
Employee Benefit	31,379	522
Postage and Delivery	57	256
Professional Fees	76,080	10,049
Rent Expense	26,648	28,156
Taxes Paid	545	-
Utilities	2,663	-
Meals and Entertainment	-	2,160
Other Expense	-	25
<b>Total Expenses</b>	<b>622,453</b>	<b>635,439</b>
<b>Net Income (Loss)</b>	<b>\$ (606,902)</b>	<b>\$ (570,466)</b>



CASE NAME: Digital Custody Inc.

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**Exhibit A-3: Statement of Cash Flows for Controlled Non-Debtor Entities for the period ended 12/31/2023**

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**Exhibit A-3: Statement of Cash Flows**

	As of December 31, 2022	As of December 31, 2023
	FTX Vault Trust Co	FTX Vault Trust Co
<b>In US \$ Unless Otherwise Indicated</b>		
<b>Cash Flows from Operating Activities</b>		
Net income (loss)	\$ (606,902)	\$ (570,466)
Increase in Intercompany Payable	394,670	-
Net cash flows used by operating activities	(212,232)	(570,466)
<b>Cash Flows from Financing Activities</b>		
Paid-in capital	115,900	-
Net cash flows from financing activities	115,900	-
Net cash increase (decrease) for period	(96,332)	(570,466)
Cash at beginning of period	3,500,212	3,403,881
Cash at end of period	\$ 3,403,881	\$ 2,833,414

CASE NAME: Digital Custody Inc.

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**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit) for Controlled Non-Debtor Entities for the period ended 12/31/2023**

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**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit)**

Neither Debtor Digital Custody Inc. nor FTX Vault Trust Co prepare or maintain a statement of shareholders' equity. The statement of shareholders' equity is prepared and maintained on a consolidated basis at Debtor West Realm Shires Inc.

CASE NAME: Digital Custody Inc.CASE NUMBER: 22-11115**Exhibit B: Description of Operations for Controlled Non-Debtor Entities**

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**Official Form 426**United States Bankruptcy Court  
District of Delaware**Non-Debtor Entity****Description**

FTX Vault Trust Co	Entity created to hold customer currency and digital assets as fiduciary and trust. Entity was not operational and did not hold any customer currency or digital assets at the commencement of these Chapter 11 Cases.
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CASE NAME: Digital Custody Inc.

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**Exhibit C: Description of Intercompany Claims**

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**Official Form 426**

United States Bankruptcy Court  
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FTX Vault Trust Co does not have intercompany balances with other Controlled Non-Debtor Entities. As of December 31, 2023, FTX Vault Trust Co has an intercompany payables balance of \$395k with Debtor Digital Custody Inc. The \$395k was provided to maintain capital reserve requirements mandated by South Dakota regulatory agencies. The bank account previously established to supply these funds was held by FTX Vault Trust Co's parent company, Debtor Digital Custody Inc. Upon granting of the order authorizing the Debtors to operate a cash management system (D.I. 145), the Debtors moved the remaining balance from Digital Custody Inc.'s account to the WRS silo account.

CASE NAME: Digital Custody Inc.

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**Exhibit D: Allocation of Tax Liabilities and Assets**

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Debtor Digital Custody Inc. does not conduct an allocation of tax assets or liabilities to its subsidiary entity. Since the acquisition of FTX Vault Trust Co by Debtor Digital Custody Inc. in August 2022, there has not been any allocation of tax attributes to FTX Vault Trust Co. from Debtor West Realm Shires Inc. or its subsidiary entities.

CASE NAME: Digital Custody Inc.

CASE NUMBER: 22-11115

**Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor**

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United States Bankruptcy Court  
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As of the balance sheet date of the financials presented in Exhibit A (December 31, 2023), no payments of professional fees were made by FTX Vault Trust Co that would have otherwise been payable by a Debtor entity. FTX Vault Trust Co made office lease payments of \$18.7k and \$5.3k on an office lease agreement originally in the name of Debtor Digital Custody Inc. in 2022 and 2023 respectively. The leased facility is used for operations and fulfills certain statutory requirements of FTX Vault Trust Co; it provides no benefit to the Debtor entities. The lease agreement has been assigned to FTX Vault Trust Co during the pendency of these Chapter 11 Cases, and all related payments should be viewed as payments made by FTX Vault Trust Co.